

WATERTOWN

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Board Meeting Varies

Board Members Thomas V. Thibaut, Jr., (Acting Chairperson), James I. Bean, Sharon Gallagher, Wayne MacDonald

Board Administrator Barbara A. Sheehan

ACTUARIAL

Funded Ratio 60.1%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

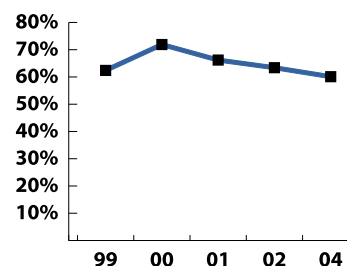
Funding Schedule Increasing 2.5%

Year Fully Funded 2019

Active Members 522

Retired Members 443

Funded Ratio



INVESTMENT

2004 Return 12.40%

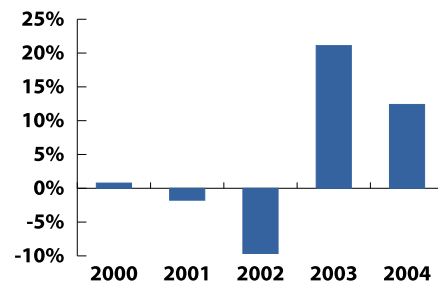
2004 Target Return 9.10%

2004 Market Value \$74.0M

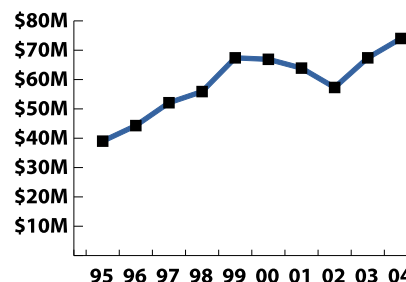
2000-2004 Return (Annualized) 4.02%

1985-2004 Return (Annualized) 9.66%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Hutchens Investment Management, Inc.
- SSgA S&P 500 Flagship Fund
- Wellington Trust Co.-CIF Small Cap Fund

International Equity

- Boston Company International Equity Fund

Fixed Income

- CMG High Yield Fund
- Fox Asset Management
- IR&M Core Bond Fund
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

- Rogge International Bond Fund

Real Estate

- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund III & IV, LLC
- L&B Property Fund III
- New Boston Institutional Fund, L.P. VI

Alternative Investments

- Auda Ventures, L.P.
- Novo Vita, L.P.
- Novus Ventures II, L.P.

Commission Recapture

- Rochdale Securities Corp.

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust